

**CITY OF HUNTINGTON BEACH**  
**Interoffice Communication**  
**Economic Development Department**

TO: Honorable Mayor and City Council Members  
VIA: *Penelope Culbreth Graft*  
Penelope Culbreth-Graft, DPA, City Administrator  
FROM: David C. Biggs, Director of Economic Development *DCB*  
DATE: January 3, 2005  
SUBJECT: **Study Session Materials –  
Huntington Beach Conference and Visitors Bureau**

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The City Council Study Session on January 3, 2005, will include the Work Program and Accomplishments of the Huntington Beach Conference and Visitors Bureau.

Attached for inclusion with the meeting's agenda is a copy of the PowerPoint presentation as presented by the Bureau.

Please feel free to contact me if I can answer any question prior to the Study Session.

DCB

Attachment

*STUDY SESSION 1-3-05*



## HB Conference and Visitors Bureau: Past, Present & Future



Huntington Beach City Council Study Session: January 3, 2005

## Agenda

- Early Bureau History: 1988 to 2001
- Recent Bureau History: 2002 to 2004
- Current Work Program (FY04/05)
- Vision For the Future

## Early History: 1988 to 2001



## Early History

- 9/8/88 The City of Huntington Beach and Huntington Beach Chamber of Commerce decide to create a "Tourist Bureau."
- 1/12/89 The first Board of Directors for the Huntington Beach Visitors & Conference Bureau is elected. By-Laws are approved.

## Early History

### The Founding Board Includes:

- Steve Bone,  
Chairman
- Dale Dunn,  
Treasurer
- Paul Cook
- Don MacAllister
- Joyce Riddell
- Pat Rogers

Huntington  
Beach **News**



## Early History

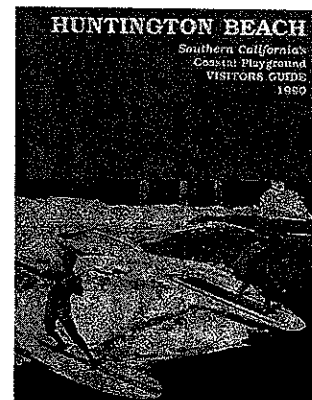
- 10/16/89 Diane Baker is hired as the Bureau's Executive Director.
- 10/27/89 The Bureau receives its first City grant of \$150,000.
- 11/1/89 The Bureau moves into offices at 2100 Main Street.

## Early History

- 11/2/89 The Bureau hires its second employee.
- 1/4/90 The Bureau changes its name from HB Visitors & Conference Bureau to HB Conference and Visitors Bureau.

## Early History

- June 1, 1990  
The Bureau publishes its first Visitors Guide and positions HB as "*Southern California's Coastal Playground.*"



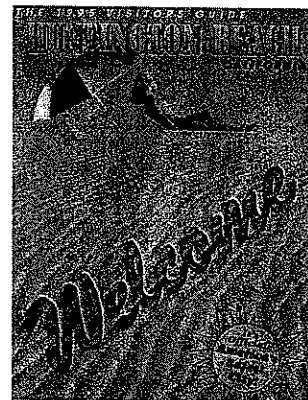
## Early History



- 6/27/93 The Bureau sponsors the 8th annual Great American Race, a cross country rally of antique cars.

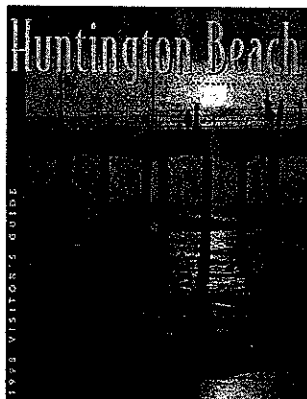
## Early History

- Feb. 7, 1995  
1995 Visitors Guide circulation reaches 75,000.
- March 31, 1995  
The Bureau moves to 101 Main St.



## Early History

- Feb. 17, 1998  
1998 Visitors Guide circulation reaches 100,000.
- May 1, 1998  
The Bureau moves to 417 Main St.



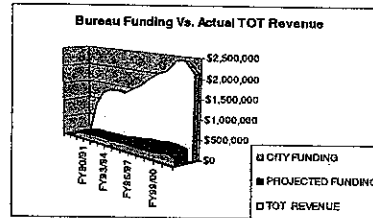
## Early History

- 10/1/99 The Bureau launches its first website, [www.hbvisit.com](http://www.hbvisit.com).
- 9/11/01 The tourism industry plummets.
- 12/3/01 Doug Traub is hired as the Bureau's new President & CEO; Diane Baker retires.

## Summary: The First 13 Years

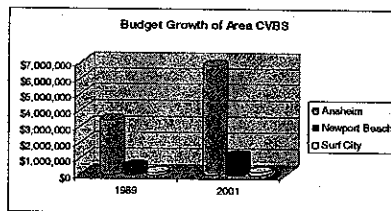
- The program of work remains very small:
  - weekday Visitor Center
  - Visitors Guide
  - California Visitors Guide ad
  - attendance at one trade show
  - website (with partial events listing)
  - industry representation

## Summary: The First 13 Years



Even as TOT revenues increase by \$1.25 million (140%), the grant from the City increases by only \$50,000 (25%).

## Summary: The First 13 Years



When it comes to tourism promotion, Huntington Beach is left in the dust.

## Recent History: 2002-2004



**Huntington Beach**  
Conference and Visitors Bureau

## Recent History

- 7/15/02 With the City and industry in dire financial shape, the hotels form a BID to fund the Bureau and make up for lost time.
- 2/4/03 The Bureau hires a third employee, the first staff addition in 13 years.

## Recent History

- May 1, 2003  
The Bureau moves to new, more professional offices at 301 Main St.



## Recent History

- Sept. 3, 2003

The Bureau hires its first P.R. agency and news clips triple from 167 to 547 within a year.



## Recent History

- January 2003

The Bureau launches the City's first substantial print ad campaign.



Sunset Magazine Travel Directory

## Recent History

- 3/1/04 The Bureau launches a new database-driven website and Internet visitors quadruple to over 440,000 unique viewers within a year.



## Recent History

- 5/14/04

A new rack brochure is created and distributed into 1,928 locations in three states with an annual circulation of over 400,000.



## Recent History

- 6/16/04 The Bureau hires its fourth full-time position.
- 7/2/04-9/26/04 The Bureau successfully tests a small Visitor Kiosk at the pier to provide information.
- 11/17/04 *Surf City USA™* is trademarked and [www.surfcityusa.com](http://www.surfcityusa.com) is adopted for the website.

## Summary: The Past Three Years

### Before:

- Weekday Visitor Center
- Visitors Guide
- California Visitors Guide ad
- Attendance at one trade show
- Website (with partial events listing)
- Industry representation

### After:

- Add Summer Visitor Kiosk
- 50% more copies; quality
- Expanded print advertising campaign
- Trade shows dropped; attend 3 media events
- Greatly expanded (best events calendar in City)
- Continues

## Summary: The Past Three Years

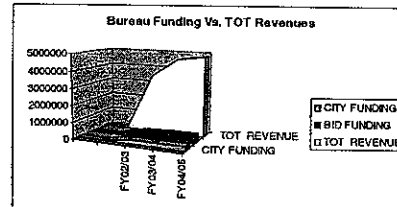
### Before:

- Not provided
- Not provided
- Not provided
- Not provided
- Not provided
- Not provided
- Not provided

### After:

- *Public Relations Services*
- *Rack Brochure Distribution*
- *HB Pipeline E-Newsletter*
- *Event Economic Impact Studies*
- *Meeting Planners Guide*
- *Market Research*
- *Hotel Lead Distribution*

## Summary: The Past Three Years



Even as TOT revenue increases by \$2.6 million (125%) and hotels form a BID, the City grant increases by only \$50,000 (25%).

## Current Work Program (FY04/05)

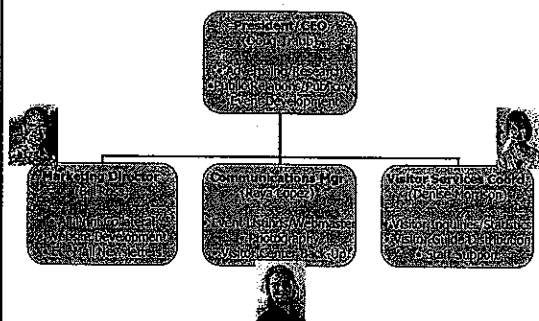


## HBCVB Board of Directors



(Bottom row - left to right) Ethen Thacher, Michael Ali, Kevin Patel, Dale Dunn, Maureen Sloan James, Tim McGill; (Top row - left to right) Cormac O'Modhrain, Brett Barnes, Haydee V. Tiltonson, Garry Brown, Doug Traub, Dean Torrence and Ron McLin. Missing from photo: Corky Carroll

## Full Time Bureau Staff



## Work Program

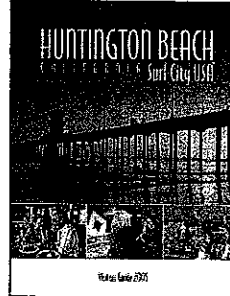
### • Administration (representative tasks)

- Invoices, budget, tax returns, City grant
- Board packages, minutes, BID renewal
- Insurance, permits, parking, Form 700s
- Restaurant & Hotel/Motel Assn. finances
- Audit – Fifth unqualified opinion in a row

## Work Program

- Visitor Center (statistics based on 2004 data)
  - 11,562 Visitor Guide bulk mail requests (46 per day)
  - 5,532 phone calls; 1,516 visitor inquiries (22/6 day)
  - 1,731 Visitors Guide mail requests (7 per day)
  - 1,165 walk-in visitors (5 per day)
  - Kiosk open 5/28 to 9/5 with 7,000+ visitors (75 day)
  - 985 email inquiries answered (4 per day)
  - 116,000 Visitor Guide bulk deliveries (9,666 per mos.)
  - 3,266 requests for hotel information (62 per week)
  - Update and refresh local brochures on display

## Work Program



- 2005 Visitors Guide
  - Maintains 68 pages
  - 150,000 copies (+10k)
  - More upscale look
  - New History Section
  - Nearly all new photos
  - Distributed via custom racks
  - More local emphasis

## Work Program



- Expanded advertising campaign

- Full page co-op ad in 2005 California Visitors Guide
- OCTC Co-op Direct Mail and Arizona Republic insert
- 12-month schedule in Sunset's Travel Directory

Matches 2005 Visitors Guide Cover

## Work Program

- Expanded Advertising Campaign (con't)
  - With the recent completion of the HB Visitor Study and branding initiative, a revised schedule is now in development.
  - As family & friends are major influencers, a local survey will be distributed in early January for feedback on potential tactics.

## Work Program



These on-going insertions in Where Magazine (left) and OC The Place (top) are paid entirely by co-op advertising partners.

## Work Program

- Website
  - Maintain up-to-date info on 600+ events each year
  - Update 300+ pages every 6 months
  - Enlarge and refresh all "Things to Do"
  - Continue to improve navigation



## Work Program

- Website (new initiatives)
  - Optimize 250 pages for search engines
  - Develop on-line photo download library
  - Produce five 2-minute videos
  - Add meeting planner module
  - Add media module for working press
  - Integrate visitor survey into website

## Work Program

- Continuing Representation (on-going involvements)
  - City & Downtown Economic Development Committees
  - HB Chamber of Commerce Marketing Committee
  - HB High School Entertainment & Tourism Academy
  - HB Restaurant Association & Hotel/Motel Association
  - North HB Business Association
  - Orange County Tourism Council
  - Surfing Walk of Fame
  - International Surfing Museum
  - Downtown Huntington Beach Business Association

## Work Program

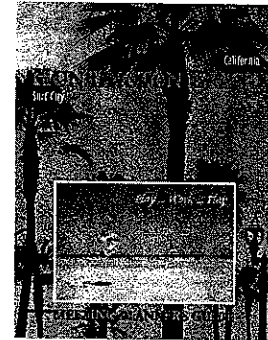
### Continuing Marketing Initiatives

- Public Relations (one release per week; three media receptions per year in LA, New York and San Francisco)
- Rack Brochure Distribution
- HB Pipeline E-Newsletter (bimonthly)
- Event Economic Impact Studies (Fourth of July and Core Tour)
- Integrate Surf City USA™ brand into all marketing programs for consistent look and feel.

## Work Program

### New Marketing Initiatives

- Meeting Planners Guide (new)
- New E-Newsletter for online subscribers (quarterly)
- New travel guide listings program



## Work Program Summary

### HBCVB Revenue Summary

	<u>2004/05</u>
B.I.D.	\$479,000
City Grant	250,000
V.G. Ads	14,000
Co-op Ads	13,000
Interest	2,000
Website Ads	<u>8,000</u>
Total	\$766,000

## Work Program Summary

### HBCVB Expense Summary

	<u>2004/05</u>
Personnel Costs	\$300,000
Direct Promotion	292,000
Advertising/Media	194,000
Overhead/Other	64,000
Total	\$850,000

## Work Program Summary

	National Average	HBCVB 2004/05	Variance	Dollar Variance
Personnel Costs	43.1%	35.3%	<7.8%>	<\$66,300>
Direct Promotion	24.0%	34.4%	+10.4%	\$88,400
Advertising/Media	16.8%	22.8%	+6.7%	+\$51,000
Overhead/Other	16.1%	7.5%	<8.6>	<\$73,100>

**An extra \$139,400 is invested in advertising & promotion compared to average Bureaus with similar budgets (+16.4%)!**

## Work Program Summary

- By year-end, the Bureau will offer a competitive marketing program for a small budget entity with only four staff.
- A solid, state-of-the-art foundation will be in place for future expansion and growth.

## Vision For the Future



Pacific City Night Life



Bella Terra Entertainment



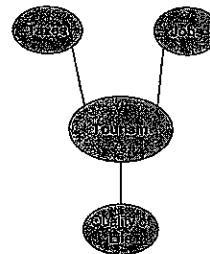
Strand Upscale Shopping



Pacific City Boutique Hotel

## Vision For the Future

- What tourism means for Surf City



- Enhanced revenue base for the community
- Clean industry that promotes culture and the environment
- Continued increase in property and sales taxes
- Community pride
- Business retention

## Vision For the Future

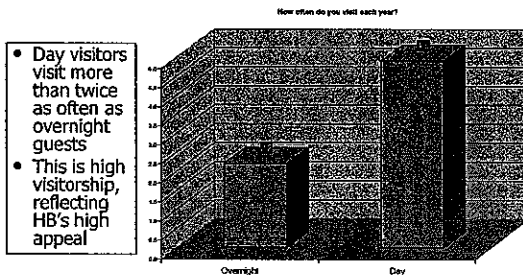
- Huntington Beach wants to become a world class overnight destination
- Destinations rarely occur "by accident"
- The City must continue an active role in product development and marketing
- After 16 years, a long-term funding contract for the Bureau makes sense
- Funding the Bureau with a fixed portion of TOT makes sense

## Vision For the Future

- Spending by Visitor Party (representative)

Overnight Lodging	Spend	Days	Total	Sales		
				TOT	Tax (1%)	Total
Hotel/Motel	\$252	2.9	\$731	\$29 +	\$4.41 =	\$33.41
RV Campground	\$ 70	2.9	\$203		\$2.03	\$2.03
Private Home	\$ 63	2.9	\$183		\$1.83	\$1.83
Vacation Home	\$140	2.9	\$406		\$4.06	\$4.06
Day Visitor Only	\$103	1.0	\$103		\$1.03	\$1.03

## Vision For the Future



## Vision For the Future

### • Annual Spending by Visitor Party (representative)

Overnight Lodging	Spend	Days	Total	Sales	
				TOT	Tax (1%) Total
Hotel/Motel	\$252	6.4	\$1,613	\$64.00+\$9.73 =	\$73.73
RV Campground	\$ 70	6.4	\$448	\$4.48	\$4.48
Private Home	\$ 63	6.4	\$403	\$4.03	\$4.03
Vacation Home	\$140	6.4	\$840	\$8.40	\$8.40
Day Visitor Only	\$103	4.9	\$505	\$5.05	\$5.05

## Vision For the Future

- The top Bureau future funding requirements:
1. Initiate more aggressive advertising campaign (cable TV and music radio in feeder markets)
  2. Open permanent, year-round pier Kiosk
  3. Develop special events for shoulder months
  4. Create trade show schedule in feeder markets
  5. Provide more destination development assistance in areas inc. signage, parking, etc.

## Vision For the Future

- Moving to a fixed percentage of TOT, like most bureaus in overnight destinations in California and nationwide, provides dedicated resources to promote the City in a professional manner and the incentive to grow TOT for the benefit of the City.
- With the formation of an HB Hotel/Motel BID more than two years ago, the hotel/motel community has demonstrated its commitment to the Bureau and the importance of marketing as an overnight destination. Now may be the time for the City to match this commitment.

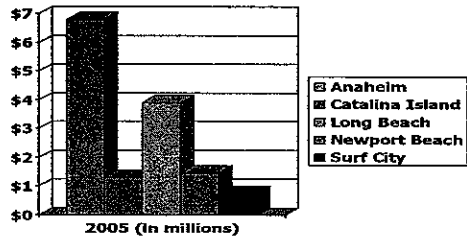
## Vision For the Future

- If the City desires to become an overnight destination, travelers expect and deserve a level of customer service in exchange for the tax dollars they contribute as our guests.
- By contributing a fixed percentage of gross TOT revenues, the City does not have to fund the Bureau with monies it has not collected due to a recession or other reasons.
- The 10% level of TOT funding is approximately the same as the 10.24% average the Bureau has received from the City the past 16 years.

## Vision For the Future

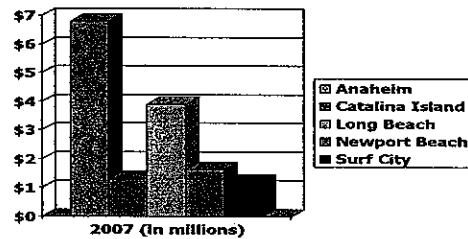
- A dedicated funding source permits the Bureau to undertake long-term planning and strategy in behalf of HB as an overnight destination.
- By harnessing one of its greatest assets for the benefit of residents, future tax receipts will be enhanced for years to come.
- A long-term contract reduces administrative burden on City and Bureau staff due to annual contract negotiations and preparations.

### Vision For the Future



How the HBCVB budget compares now

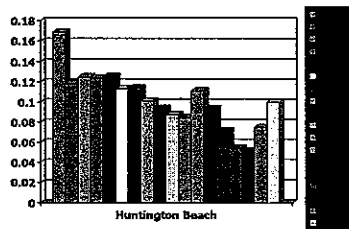
### Vision For the Future



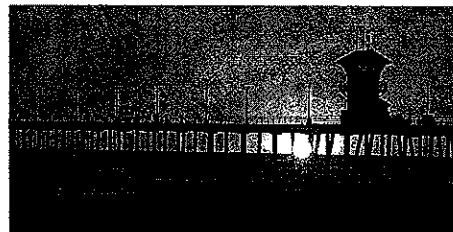
How the HBCVB budget can compare in two years

### Vision For the Future

- Percentage of TOT revenue invested in tourism



### HB Conference and Visitors Bureau: Past, Present & Future



Huntington Beach City Council Study Session: January 3, 2005